

# THE AMERICAN INSTITUTE OF ARCHITECTS

STATEMENT OF DOUGLAS L. STEIDL, PRESIDENT

"LANDS OF LOST OPPORTUNITY: WHAT CAN BE DONE TO SPUR REDEVELOPMENT AT AMERICA'S BROWNFIELD SITES?"

UNITED STATES HOUSE OF REPRESENTATIVES COMMITTEE ON GOVERNMENT REFORM SUBCOMMITTEE ON FEDERALISM AND THE CENSUS

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#### **Introduction**

Mr. Chairman, Members of the Subcommittee – Good Morning:

I am Doug Steidl, President of the American Institute of Architects. Mr. Chairman, Ranking Member Clay, on behalf of our 75,000 members nationwide, I wish to congratulate you on this new Subcommittee and thank you for the opportunity to appear today, as the Subcommittee begins its deliberation on the state of designated brownfields sites across America.

### **Architects' Unique Perspective**

Architects do more than design buildings. They create communities.

Through their understanding of the interaction of people and their physical surroundings over time, architects add vision and value to the entire development process. Bricks and mortar are what we see. But architects' most formidable skills lie in their ability to get people to express their abstract goals and visions and then capture them in buildable form. Since informed decisions made early will save considerable time and money, bringing an architect on board from the outset of a development project will pay for itself many times over in both first-cost development and construction and life-cycle operation. The architect's unique abilities—to see

a multidisciplinary picture and unite various factions of the community—encourage innovative solutions to brownfields redevelopment.

Architects are leaders in their communities and help drive the design sector of our national economy. This sector accounts for 8 percent of our Gross Domestic Product (GDP). Over 280,000 Americans works in architecture firms, and many more depend in jobs and income derived from the design profession and the built environment.

Architects are also intensely concerned about making the Nation's communities livable, sustainable places. As a result, we have long had an interest in finding imaginative and constructive uses for urban land that now lies fallow because of residual contamination that is part of its industrial heritage.

In 2001, the AIA took a strong position favoring H.R. 2869, Congressman Paul Gillmor's brownfields bill that became the Small Business Liability Relief and Brownfields Revitalization Act. That statute established EPA's current brownfields program and has led the way in changing the Nation's perceptions about abandoned real estate. The AIA is heartened by the

progress that has been made under that program, but believes that more rapid progress is both possible and necessary.

I come here today commending you for holding this hearing. I also come with a message: the time has come for Congress to enact new brownfields legislation.

#### **Position**

As I stated, the AIA's interest in brownfields redevelopment springs from our interest in fostering vital, health communities. We are concerned that abandoned industrial sites in every state are contaminated with residues of past industrial activity, threaten local citizens with exposure to these toxins and serve as dead zones in the midst of neighborhoods drastically in need of revitalization. Such dead zones scare away developers who would otherwise embrace redevelopment. The contamination is thus responsible for stymieing redevelopment, and limiting economic investment and job creation. It ultimately leads to sprawl and uncontrolled growth. EPA's use of Federal dollars to remedy such sites has had noticeable results. Unfortunately, as the GAO's brownfields report of last December points out, there are far more brownfield sites requiring remediation than the EPA program could ever

hope to address in our lifetimes. As a result, Federal legislation is needed to expedite site cleanup and foster economic development of former industrial properties.

Turning these areas into mixed community uses, such as parks, shopping areas, learning centers, and affordable housing, is a great opportunity.

Brownfields reuse will increase the local tax base, create jobs, revitalize neighborhoods, and extend environmental protection for all citizens.

In a time when our Nation is searching for solutions to sprawl, these sites are the new market frontier bursting with community development, and new economic opportunities. When combined with intelligent planning, community involvement, entrepreneurial spirit, and a clear vision, brownfields sites can be transformed from environmentally contaminated landscapes to thriving urban centers.

Brownfields are untapped resources that hold a wealth of opportunity. Often in central urban locations with costly infrastructure already in place, brownfields represent a real opportunity for sustainable development that both helps the economy and the environment.

### **A Need for Tax Credits**

According the GAO, between fiscal years 1995 and 2004, the U.S. EPA awarded over 1,200 brownfield grants totaling about \$400 million.

Unfortunately, an estimated 450,000 to 1 million brownfields sit abandoned or underused across the country. More must be done to promote brownfields redevelopment, and the most creative way to address this need is to harness the power of private capital markets.

### **Success Stories**

Many American cities are currently undergoing a renaissance. Young professionals and empty nesters have begun a migration to cities and continue to make them the location of first choice. Brownfield redevelopment capitalizes on this trend and helps keep the urban revitalization momentum going. I have included three detailed success stories – Glenn Cove, New York, Charlotte, North Carolina and Pittsburgh, Pennsylvania – for the Subcommittee's consideration. I will omit them from spoken remarks, however.

#### Glen Cove, New York

The city of Glen Cove, N.Y., has been an industrial center since the mid1600s. This Long Island city's coastline consists of 214 acres of mostly
contaminated, abandoned, and underused sites within its 1.1-mile waterfront
district. Glen Cove had two Federal Superfund sites. Sixty-eight percent of
this land is made up of brownfields with histories of heavy industrial and
manufacturing use. This entire waterfront area has been cited an "urban
blight area" by the U.S. Department of Housing and Urban Development
(HUD). Moreover, 13 percent of households within a mile of the site have
annual incomes under \$15,000.

Jambhekar Strauss Architects, under the lead of Mark E. Strauss, AIA and Uwe Brandes, developed the Glen Cove Creek Revitalization Plan seeking to make Glen Cove "a place people are attracted to, rather than a place people avoid." This master plan broke the 214 acres on both sides of the Creek into seven zones. The zones were targeted for a marina, a high-speed ferry terminal that provides service to Manhattan and Connecticut, a conference center, a hotel, a maritime museum, a waterfront gateway visitors center, an amphitheater, offices, shops, and restaurants.

With funding from EPA's Brownfields Showcase Community Program,
Federal and state agencies as well as private-sector investment, Glen Cove
leaders expect to rejuvenate their city by generating \$200 million in annual
sales and creating 1,700 full time jobs.<sup>iii</sup>

### Charlotte, North Carolina

Charlotte is home to more than 800 brownfield sites. A former industrial center, the South End of Charlotte had been plagued with environmental contamination and crime. The area consisted of several abandoned warehouses and railroad tracks with varying levels of soil and groundwater contamination. But the hot real estate market in Charlotte encouraged developers to consider revitalizing these neglected sites.

Kevin E. Kelley, AIA, and Terry Shook, AIA, of Shook Design Group, created a redevelopment vision for South End in their master plan. Their goal was to turn this brownfield area from a "sore spot to a hot spot." The centerpiece of the plan became the Charlotte Trolley that runs for about two

miles from South End, through the Convention Center, and to the other side of downtown. South End is now known for its characteristic red brick buildings built to the street, pedestrian walkways, and recreational areas. This community is home to both residential and commercial, entertainment, and small-industrial facilities. The motto of the master plan is to create "a hip urban area in which to live, work, and play." Architects led the effort to craft the vision and transform it into a vibrant urban reality.

## Pittsburgh, Pennsylvania

Brownfields redevelopment is no stranger to Pittsburgh. In fact, Pittsburgh has been named the number one urban brownfields market in America. The Washington's Landing site (formally known as Herr's Island in Pittsburgh) consists of 42 acres of contaminated land that had been used for industrial operations for the last two centuries. It has been home to heat processing plants, a saw and steel mill, a fertilizing company, a soap company, a garbage plant, a railroad yard, and a slaughterhouse. Over the years, the island became notorious for its stench. Herr's Island became well known for its "Herrs' stink."

several cattle carcasses were unearthed. The environmental contamination ranged from known groundwater contamination to the later discovery of polychlorinated biphenyls (PCBs), a known carcinogen. But Pittsburgh developers saw this prime waterfront location as an excellent redevelopment opportunity.

Robert Pfaffmann, AIA, of Pfaffmann and Associates, created the master plan for Washington's Landing. The vision for the island included a rowing association, both upscale housing as well as moderately priced residential units, office space, and a riverfront trail system. The 1-½-mile trail that today circles the island provides a great view of boats traveling along the Allegheny River and serves as a magnet to draw people to the area. The island has been transformed. Many compare the view of the Pittsburgh skyline to that of the Emerald City in the Wizard of Oz. Others claim the view is reminiscent of an Eastern European City with a view of the historic cathedrals that tourists flock to see.

Today on Washington's Landing, homes that initially sold for \$50,000 are now selling for \$650,000. The island has produced over 600 jobs and generates over \$700,000 in annual tax revenue for the City of Pittsburgh.

#### **Conclusion**

The AIA believes that Federal tax credits for the remediation expenditures at brownfields sites would provide the needed incentive to induce private parties to undertake the clean-up and rebuilding of these sites. The AIA supported H.R. 4480 - the Chairman's legislative effort in the 108<sup>th</sup> Congress to allow taxpayers a credit against income tax for expenditures to remediate contaminated sites. We are happy to see that he has improved and reintroduced it again in the 109<sup>th</sup>. We look forward to working with him and his growing contingent of cosponsors to get these incentives enacted sooner rather than later.

Thank you

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<sup>&</sup>lt;sup>i</sup> Brownfields Showcase Community – Glen Cove, New York, Quick Reference Fact Sheet, November, 1998, U.S. Environmental Protection Agency (EPA) web-site document, <a href="www.epa.gov/swerosps/bf/html-doc/sc\_glenc.htm">www.epa.gov/swerosps/bf/html-doc/sc\_glenc.htm</a> (accessed June 29, 2000).

<sup>&</sup>lt;sup>ii</sup>The Glen Cove Creek Revitalization Plan: Area Analysis, Master Plan, and Site Design Studies, December, 1996, Pg. 4.

iii Brownfields Showcase Community – Glen Cove, New York, Quick Reference Fact Sheet, November, 1998, U.S. Environmental Protection Agency (EPA) web-site document, <a href="www.epa.gov/swerosps/bf/html-doc/sc\_glenc.htm">www.epa.gov/swerosps/bf/html-doc/sc\_glenc.htm</a> (accessed June 29, 2000).

ivGreenOnline.com Center for Environmental Commerce web-site document, Charlotte Page, www.greenonline.com/Brownfields/Charlotte.asp, (accessed June 29, 2000).

<sup>&</sup>lt;sup>v</sup> Kevin Kelley, "Branding a District" <u>Downtown</u>, Charlotte's Urban Culture, Spring 2000, Vol I, Pg 42-47.

vi Kevin Kelley, "Branding a District" <u>Downtown</u>, Charlotte's Urban Culture, Spring 2000, Vol I, Pg 42-47. vii GreenOnline.com Center for Environmental Commerce web-site document, Brownfields Overview, <u>www.greenonline.com/Brownfields/overview.asp</u> (accessed June 29, 2000). The following selection criteria were used: number of brownfields identified/listed; positive local history of brownfields redevelopment; favorable regulatory/financial/political environment including financing/tax incentive, cleanup reassurances, risk-based corrective action, and special mayoral-level brownfields

groups/initiatives; economic potential; and local real estate market conditions. viii Department of City Planning, Herr's Island Study. Pittsburgh, Pennsylvania, January, 1969.